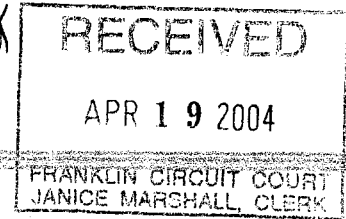


COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
FRANKFORT, KENTUCKY

DIVISION II
CIVIL ACTION NO. 04-CI-235

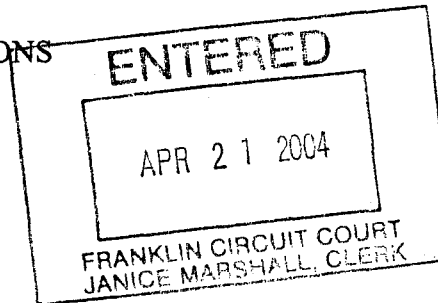


DEPARTMENT OF FINANCIAL INSTITUTIONS

PLAINTIFF

vs.

EASTERN ENERGY CORPORATION



DEFENDANT

AGREED ORDER OF SETTLEMENT

* * * * *

WHEREAS, the above-styled action has been scheduled for a hearing on Tuesday, April 6, 2004, at the hour of 11:00 am before Hon. William Graham, Judge, Franklin Circuit Court, on the Complaint for Injunctive Relief filed by Plaintiff Department of Financial Institutions ("Department") against Defendant Eastern Energy Corporation ("EEC");

AND WHEREAS, representatives of the Department and EEC met on Tuesday, March 30, 2004, and resolved the issues between them;

NOW THEREFORE, the Department and EEC hereby reduce their agreement to writing and request the Court to enter the following as an Order of this Court, to wit:

1. EEC agrees that it will only sell its securities, or securities issued by any partnership for which EEC acts as the general partner, through registered agents of First Advantage Securities or some other registered broker-dealer. Currently EEC acknowledges that First Advantage Securities employs four persons, Kenneth Mueller, Joseph Turner, Mark Kroman, and Robert Beam, authorized to sell securities in EEC's offerings. Additional personnel selling or

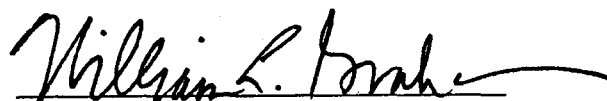
attempting to sell EEC's securities shall be registered with the Department as they become eligible. Such securities shall not be sold by individuals employed by EEC unless the individual is also registered as an agent of a registered broker-dealer.

2. Without admitting or denying guilt, EEC consents to the finding by the Department that (i) during the period between December 30, 2002 and the execution of this Order, employees of EEC offered and sold securities issued by EEC or partnerships for which EEC acts as the general partner, (ii) at the time of the offers or sales, the employees were not licensed in Kentucky as agents of EEC or the partnerships, (iii) the compensation paid to the employees by EEC varied depending on the total sales of securities by EEC or the partnerships, and (iv) the conduct referred to in this paragraph was in violation of KRS Chapter 292 of the Kentucky Securities Act.

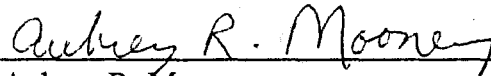
3. Without admitting or denying guilt, EEC consents to the finding by the Department that it has committed violations of KRS Chapter 292.330(1) by using unregistered sales agents and agrees to conduct its future business in accordance with the understanding outlined in numerical paragraph 1 above and the Kentucky Securities Act.


4. By its signature hereto, the Department agrees that it will not take further disciplinary action against EEC for the acts complained of in its Complaint for Injunctive Relief dated March 4, 2004, if EEC abides by the terms of this Settlement. The hearing scheduled herein shall be cancelled upon entry of this Order.

ENTERED BY THE COURT this 20 day of April, 2004.


Hon. William Graham
Judge, Franklin Circuit Court

HAVE SEEN AND AGREED TO:

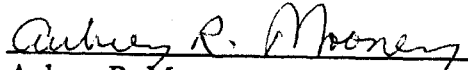

Aubrey R. Mooney
Counsel for Plaintiff


Hon. Culver V. Halliday
Attorney for Defendant

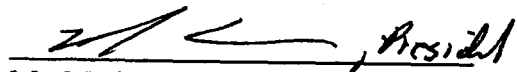
Mr. Mark Kroman
President, Eastern Energy Corporation

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HAVE SEEN AND AGREED TO:


Aubrey R. Mooney
Counsel for Plaintiff

Hon. Culver V. Halliday
Attorney for Defendant


Mr. Mark Kroman
President, Eastern Energy Corporation

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